

Office Memorandum **UNITED STATES GOVERNMENT**

TO : AD/RR (Thru: [redacted])
Thru : Chief, Services Division
FROM : Chief, Trade & Finance Branch, Services Division

DATE: 6 February 1952

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SUBJECT: Meeting with MSA Concerning Financing of the Statistical Project
(Department of Commerce) on "Trade between the Free World and the Soviet Bloc"

1. The meeting was held in Admiral Dupre's conference room, MSA Building, today at 10:30 a.m., and was attended by:

a. For MSA -- Admiral Dupre, Colonel Rodgers, and Mr. Kenneth Hansen, who conducted the meeting.

b. For State Department -- Messrs. Doherty and Moline.

c. For Department of Commerce -- Mr. Karl Anderson and Mrs. Keyserling.

d. For CIA -- Messrs. Millikan, [redacted]
[redacted]

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2. (a) The meeting was held primarily to discuss Department of Commerce's memo (received 6 February) in which is set forth estimated extra cost of this project: for the remainder of fiscal 1952, [redacted] for fiscal 1953, [redacted] - p.a. for reproduction. Mr. Hansen stated that MSA had tentatively budgeted for about half of the 1952 cost, and indicated that while he could not commit his agency for 1953 presumably it would continue to bear about half of the total. He also implied that under the legislation MSA could be called upon to meet the entire cost, but suggested that since the project is for the benefit of other agencies as well it would be desirable to reach a mutually agreed basis for division of the cost. He asked the others to express their views.

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(b) Mr. Millikan stated that since it is a joint project manifestly there is no way mathematically to divide the cost, but implied agreement to a basis for division to be worked out among the agencies. State Department stated that it has no money available for this purpose, but that it would make indirect contributions to the project by way of providing analyses to other interested agencies. This, of course, is also an important function of CIA. Mrs. Keyserling, for the Department of Commerce, pointed out that while Commerce must collect additional cash out-lay its own contribution, in the form of professional supervision and physical facilities, is very considerable.

(c) Although no commitments were made nor result of the discussions was that probably each cost of the project will be borne jointly by MSA and CIA, unless after further consultations with the Bureau of Budget it is ruled that MSA bear the entire cost. From CIA's own point of view there are one or two reasons why we would prefer to undertake responsibility for part of the expense.

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3. It was agreed:

(a) that in the meantime NSA controller will provide Mr. Karl Anderson, Department of Commerce, with necessary authority to proceed immediately with the project, including recruitment of necessary additional staff. NSA is in a position to make this commitment, pending final determination of how costs are to be shared.

(b) that within a week Department of Commerce should address a memo to NSA expanding the estimates contained in its memo, and also detailing its own contribution to the project; that Department of State should address a memo to NSA stating the nature of its indirect contribution; and that CIA should likewise address a memo to NSA setting forth its requirement and stating the nature of its indirect contribution--all for NSA's use in its further discussions with the Bureau of the Budget.

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